

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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|--------------------------|---|-----------------|
| UNITED STATES OF AMERICA | : | 05-CR-621 (RJS) |
| v. | : | Declaration of |
| | : | WALTER PFAEFFLE |
| ALBERTO VILAR and | : | |
| GARY TANAKA | : | |
| | : | |
| Defendants. | : | |

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Walter Pfaeffle, under penalty of perjury, hereby declares:

1. I am a German-born freelance journalist, currently working for various media.
I am a US citizen. The father of two grown daughters, I have been living in
Manhattan for the past 47 years. Early on I invested successfully in residential
properties. I live in one and rent out the other.
2. I met Alberto Vilar for the first time in June 2005 following his release from
the MCC. At the time, Alberto's then lady-friend helped arrange his \$4 million bail
package, to which I contributed.
3. I had heard of Alberto as far back as the late 1990s when he was a regular guest
on CNBC and quoted frequently in the financial press. I decided to helped him
with bail because his situation seemed very sad.
4. Following his release, we often had dinner together and sometimes attended the
opera. Both of us are history buffs. He is also studying German, and I am trying to
learn Spanish, which he speaks fluently.

5. After Alberto's incarceration, I was, somewhat by default, left in charge of emptying his apartment at 860 UN Plaza.
6. Prior to having his belongings moved, I looked at every piece of paper, letter, and document. I found nothing that shows that he owns any assets to speak of, here or abroad. There were no bank statements, no other relevant correspondence from onshore or offshore places. I don't even think he had a checking account in London.
7. For the past few months, I have been depositing my own money into his commissary. I think some other friends are helping him as well. He needs money not only for the commissary, but to communicate with his attorney by email and occasionally by phone.
8. I have had many conversations with Alberto, both before and after his incarceration. I visit him about once a month. I believe I know him better than anyone, and am puzzled why the government still believes he is a flight risk.
9. Alberto spends many hours per day tutoring other inmates and preparing them for the high school equivalency tests. He reads tons of books, newspapers and magazines. He continues pursuing his study of languages. And he told me he is writing a book on his own experience as a successful technology investor for decades.

10. I am convinced Alberto would never take the risk of violating bail. In fact, when I heard about the government's renewed concern a few weeks ago, I decided to discuss it with him during my last visit in early August. His response convinced me that he would not violate my trust. He reiterated that has no hidden assets. If he had had assets he would not have defaulted on his obligations, which were important to him, nor obtained a CJA lawyer. He has no passport. He said, "why would a nearly 72 year old man want to be a fugitive from justice for the rest of his life, looking over his shoulder? And where would I want to flee to?" he asked.
11. I should point out that while under house arrest from 2005-2008 awaiting trial, Alberto traveled to Puerto Rico and returned. My oldest daughter and I also drove him to Gettysburg for the reenactment of the Civil War battle. If bail is granted, I am prepared to offer Alberto a place to stay temporarily while he gets his bearings. And Alberto said until the appeal is resolved he would want to continue to teach ESL (English as a Second Language), to Hispanics and Spanish to Americans in New York. This is what he does at Fort Dix.
12. When CNBC was preparing a segment on Alberto for their "American Greed" series, they asked me if I would be willing to be interviewed. I agreed, but pointed out to that giving away all his money hardly made Alberto a greedy person. I did not hear from them again.

Dated: New York, New York
September 1, 2012


Walter Pfaeffle